

## REMARKS

Claims 41-60 remain in the present application. Claims 22-40 are cancelled herein. Claims 41-60 are added herein. Applicants respectfully submit that no new matter has been added as a result of the claim amendments. Applicants respectfully request further examination and reconsideration of the rejections based on the arguments set forth below.

### Claim Rejections – 35 U.S.C. §101

Claims 22-40 are rejected under 35 U.S.C. §101 as allegedly being directed to non-statutory subject matter. Claims 22-40 are cancelled herein, and thus, Applicants respectfully submit that a discussion of the 35 U.S.C. §101 rejection of Claims 22-40 is moot.

### Claim Rejections – 35 U.S.C. §103

#### Claims 22-40

Claims 22-40 are rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over United States Patent Number 7,113,646 to Youn (referred to herein as “Youn”) in view of United States Patent Number 6,341,144 to Haskell et al. (referred to herein as “Haskell”). Claims 22-40 are cancelled herein, and thus, Applicants respectfully submit that a discussion of the 35 U.S.C. §103(a) rejection of Claims 22-40 is moot.

### Claims 41-60

Applicant respectfully directs the Examiner to independent Claim 41 that recites a dynamic AC prediction method comprising (emphasis added):

- performing DC prediction, using a first circuit, for a first macroblock using DC coefficients associated with at least one macroblock adjacent to said first macroblock;

- performing AC prediction, using a second circuit, for said first macroblock using AC coefficients associated with said at least one macroblock;

- determining whether an overflow condition is to occur in a first data packet if said first macroblock is encoded in said first data packet;

- if no overflow condition is to occur, supplying AC predict coefficients and DC predict coefficients for encoding said first macroblock in said first data packet;

- if said overflow condition is to occur, supplying said AC coefficients and said DC predict coefficients for encoding said first macroblock in a second data packet; and

- disabling AC prediction for encoding said first macroblock in said second data packet.

Independent Claim 50 recites elements similar to independent Claim 41. Claims 42-49 and 51-60 recite further elements of the invention claimed in their respective independent Claims.

Applicants respectfully submit that Youn fails to teach or suggest the elements of “disabling AC prediction for encoding said first macroblock in said second data packet” as recited in independent Claim 41. As described in the present application, it is determined whether an overflow condition is to occur in a first data packet if a macroblock is encoded in the first data packet. if an overflow condition is to occur, AC coefficients and DC predict coefficients are supplied for encoding the macroblock in a second data packet. Additionally, AC prediction is disabled for encoding the macroblock in the second data packet.

In contrast to the claimed embodiments, Applicants fail to find any teaching or suggestion in Youn of AC prediction as claimed. Additionally, Applicants fail to find any teaching or suggestion in Youn of *disabling* AC prediction as claimed. Further, Applicants fail to find any teaching or suggestion in Youn of disabling AC prediction *for encoding a macroblock in a second data packet* (e.g., distinct from a first data packet for which an overflow condition would have occurred if the macroblock was encoded therein) as claimed. Accordingly, Applicants reiterate that Youn fails to teach or suggest the elements of “disabling AC prediction for encoding said first macroblock in said second data packet” as recited in independent Claim 41.

Applicants respectfully submit that Haskell, either alone or in combination with Youn, fails to cure the deficiencies of Youn discussed herein. More specifically, Applicants respectfully submit that Haskell, either alone or in combination with Youn, also fails to teach or suggest the elements of “disabling AC prediction for encoding said first macroblock in said second data packet” as recited in independent Claim 41.

For these reasons, Applicant respectfully submits that independent Claim 22 is not rendered obvious by Youn in view of Haskell. Since independent Claim 50 recites similar elements as independent Claim 41, Applicants respectfully submit that independent Claim 50 is also not rendered obvious by Youn in view of Haskell. Since Claims 42-49 and 51-60 recite further elements of the invention claimed in their respective independent Claims, Applicants respectfully submit

that Claims 42-49 and 51-60 are also not rendered obvious by Youn in view of Haskell. Therefore, Applicant respectfully submits that Claims 41-60 are allowable.

CONCLUSION

Applicant respectfully submits that Claims 41-60 are in condition for allowance and Applicants earnestly solicit such action from the Examiner.

The Examiner is urged to contact Applicants' undersigned representative if the Examiner believes such action would expedite resolution of the present Application.

Please charge any additional fees or apply any credits to our PTO deposit account number: 50-4160.

Respectfully submitted,

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/BMF/

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